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901 N. Stuart St., 10<sup>th</sup> Floor, Arlington, VA 22203

Office of Evaluation & Dissemination: Paula Durbin

Telephone: 703-306-4357

Facsimile: 703-306-4365

[www.iaf.gov](http://www.iaf.gov)

## FOR IMMEDIATE RELEASE

Release No.: 71701-1

Date: July 17, 2001

Pages: THREE

### **INTER-AMERICAN GRASSROOTS DEMOCRACY CONFERENCE EXPLORES CHALLENGES, OPPORTUNITIES OF DECENTRALIZATION**

**ARLINGTON, Va.** — More than 250 international affairs professionals heard experts from Latin America, the Caribbean and the United States explore the challenges and opportunities of decentralization at the all-day forum “Building Democracy from the Grassroots” sponsored by the Inter-American Foundation and the Organization of American States July 16 in the OAS Hall of the Americas.

Four panels discussed the sweeping changes throughout the Caribbean and Central and South America that had prompted the forum. In recent years, the region’s democracies have begun to transfer public resources and functions from central bureaucracies to municipal units. According to Bolivia’s Minister of Sustainable Development and Planning Ronald MacLean-Abaroa, a conference panelist, his country’s fiscal allocation to municipalities has, for example, grown to 3 percent of the gross domestic product and an increase to 12 percent is projected.

Throughout the hemisphere, municipalities will be expected not only to deliver basic services but also to initiate development projects. Decentralization

also means municipal officials are elected locally, rather than appointed by the central government. Constituents potentially have a greater voice in their communities and more opportunity for self-help.

In his welcome, IAF President David Valenzuela, conference co-host, expressed hope that increased local autonomy and popular participation would “help national democracies become fully functional,” emphasizing that “sustainable poverty reduction and the exercise of democracy go hand in hand.” However, decentralization is “not a panacea,” cautioned co-host Elizabeth Spehar, executive coordinator of the OAS’ Unit for the Promotion of Democracy. Throughout the presentations, in fact, experts and the audience expressed concerns with how a decentralized system copes with poverty, natural disasters, partisan politics, limited technical resources, public distrust and the region’s worsening economy.

Keynote speaker Professor Lester Salamon of Johns Hopkins University pointed to the “massive upsurge of organized private voluntary activity” worldwide in recent decades. This proliferation of nongovernmental organizations, which Salamon calls the third sector, was, he said, partly in response to the failure of the state and the market to provide essential services and resources. Salamon concluded that in the future all three sectors would combine to address public problems. Researchers Beryl Levinger and Ramón Daubón reported on IAF-supported research analyzing the spread of democratic practices through grassroots developments and how NGOs are forming partnerships for development.

Synthesizing many of the previous points was the experience recounted by a panel from Nejapa, a municipality of 30,000 residents in El Salvador, whose mayor since the first municipal election in 1994 has been conference panelist René Canjura. Despite its extreme poverty and other negative socio-economic indicators, as well as the scars left by the recent conflict, deforestation, pollution and, earlier this year, two earthquakes in one month, Nejapa, under the mayor’s

leadership, has initiated hundreds of development projects that have improved its quality of life. Key to Canjura's early successes was collaboration with several NGOs, including Fundación Salvadoreña de Apoyo Integral (FUSAI) which has received an IAF grant for its work in Nejapa, and European assistance agencies.

Canjura has since struck partnerships with the private sector, including with Embosalva, the company that bottles Coca-Cola, which was attracted to Nejapa because of its abundant water supply. Panelists Canjura and Ernesto Barrientos, Embosalva's general manager, acknowledged the importance of mutual trust and a common interest in bettering conditions in their community. "Anything that helps us overcome the problems we all face is worthwhile," said Canjura of this unexpected alliance.

Marcos Rodríguez, of the National Development Foundation (FUNDE) in El Salvador, who moderated the Salvadoran panel, said Nejapa's successful experience would have been difficult without a democratic framework and the local government's encouragement of grassroots organizations.

Additional information and photos can be accessed at the forum's Web site: <http://www.udp.oas.org/decentralization/conferences/homepage.eng.htm>. An extended report on the conference is forthcoming.

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For more details, call 703-306-4357.*